DR. T. SUBBARAMI REDDY: Sir, there is one question. ...*(Interruptions)*....

MR. DEPUTY CHAIRMAN: Hon. Members, there are 20 requests. This is a very important question. So, I suggest that if notice can be given for a Half-a-Hour Discussion, we can have a separate discussion. Next question. Question No. 125 ...*(Interruptions)*...

DR. T. SUBBARAMI REDDY: Sir, I want to put a question ...*(Interruptions)*....

MR. DEPUTY CHAIRMAN: You give noice ...*(Interruptions)*...

DR. T. SUBBARAMI REDDY: Sir, I want to put this question.....*(Inter ruptions)*....

MR. DEPUTY CHAIRMAN: No. ...*(Interruptions)*...

DR. T. SUBBARAMI REDDYI have to put this question. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please cooperate. ...*(Interruptions)*... Dr. Reddy, please cooperate. ...*(Interruptions)*...Question No. 125.

Diplomacy on oil

*125. SHRIMATI AMBIKA SONI: †

PROF. ALKA BALRAM KSHATRIYA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether India is all set to launch another round of oil diplomacy in mid-October;

(b) whether in its attempt to form an Asian Oil Community, India will host another meeting of Central Asian Oil producers with the four largest consumers of Asia *viz.* China, Korea, Japan and India;

(c) whether India proposes to host a meeting of Oil Ministers from Russia, Kazakhistan, Turkmenistan, Uzbekistan and Azerbaijan with four prime Asian buyers;

(d) if so, what will be the main points of discussion with Oil Ministers;

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† The question was actually asked on the floor of the House by Shrimati Amblka Soni.

(e) the details thereof; and

(f) what steps are proposed to be taken to have a fresh diplomacy on oil?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (f) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir. India has offered to host a Round Table of the North & Central Asian Oil and Gas Supplying countries with principal Asian buyers in the last quarter of the present calendar year.

(b) and (c) The Ministers of Russia, Kazakhstan, Turkmenistan, Azerbaijan, Uzbekistan, as supplier countries, and China, Korea, Japan and Turkey as importing countries are being invited for the Round Table.

(d) to (f) The proposed Round Table of Oil Ministers from North and Central Asian producing countries and Ministers representing the principal Asian buying countries is the second Round Table between principal oil producing and oil consuming nations of Asia. The earlier Round Table, which took place in New Delhi in January 2005, brought together the principal oil producing countries of West Asia and South East Asia in their firsi-ever structured encounter with Ministers of principal Asian oil consuming countries. The concensual view at the Round Table was that this pioneering dialogue had opened up new avenues for cooperation between Asian producing and consuming countries. Recognising the importance of the dialogue, the Ministers concerned agreed to meet every year.

Again, during bilateral meeting with the Ministers of participating countries on the sidelines of the Round Table, specific proposals to be pursued by Indian companies with counterpart organisations in the various countries represented at the Round Table were identified and are being vigorously pursued at present.

The Round Table in January, 2005 and the one proposed for later this year complement each other and the extensive bilateral interaction in which India is engaged at present to promote linkages across the world in the Hydrocarbons area to set up long-term engagements as also acquire foreign assets with a view to boosting our energy security interests.

SHRIMATI AMBIKA SONI: Sir, I have gone through the reply of the hon.Minister. With his Round Table Conferences in January and now one scheduled for October, the number of countries he is planning to invite and those he has invited, one would imagine that the country would be crisscrossed with gas pipelines. Coming to my question, out of all these pipelines which are in the pipeline the three which probably matter the maximum to India are Myanmar-Bangladesh-India and Turkmenistan pipelines to India. I believe both these pipelines for different reasons are almost traped in the pipeline.The Myanmar-Bangladesh-India pipeline, which probably has the potential for India is stuck with the way Bangladesh is bargaining. Turkmenistan, apparently, my limited knowledge tells me, has promised more than it produces to preferably European market. So we come to the one which still is feasible, that is, the 2,600 kilometre Iran-Pakistan- India pipeline. I have learnt that it is scheduled to cost us $ four billions just for the piping. Mas the Minister worked out as to what would be the well-head cost from the point of view of Iran and what would be the end cost to the consumers, primarily, the power sector and the fertilizers sector? How much would we be paying for transport and transit to Pakistan? What would be the end cost? Would it be economically viable?

SHRI MANI SHANKAR AIYAR: Sir, I am afraid the request for a brief answer is not possible to a complicated question. As regards the pipeline from Myanmar, with respect to the substance of what needs to be done between us, Myanmar and Bangladesh, there is complete agreement as expressed in the draft Memorandum of Understanding that was prepared by the Technical and commercial Working Group in February this year. However, there is one non-operative preambular paragraph in the Draft MoLI which is causing some concern. I am glad to inform the House that the hon. Minister of External Affairs is scheduled to make a visit to Dhaka in the immediate future, that is, on 6th of August. One of my Officers will be accompanying him. We hope that he will be able to unite this somewhat knotty problem which has held matters up for the last several months. As regards the pipelines from Turkmenistan, it is a fact that Pakistan has refused to attend any further meetings of the Steering Committee of TAP, unless and until the Turkmenistan Government is able to provide figures of certified reserves. That has not yet happened. One of the possible reasons for their not providing the certified reserves could be shortage of available gas in that country. It is anticipating this that when Pakistanis asked me

to convert TAP which stands for Turkmenistan-Afghanistan-Pakistan into TAPt, by adding India, I suggested that perhaps the answer to the fundamental problem of availabilities in Turkmenistan might lie in linking this further upstream to Uzbekistan which would make it UPTAPI, to Kazakhistan, which would make it KUTAPI, to Azerbaijan, which would make it AKUTAPI, or to Russia which would make it RAKUTAPI. I am glad to say that when I made this proposal to His Excellency, the President of Pakistan, his response was, "It sounded a very good proposal because the vowels and the consonants fall into place".

So, we are imaginatively attempting to tackle this question, and I do believe that the vast gas resources of Central Asia should not be limited to an extent that it may not be available in Turkmenistan. And, it remains a very important future source of gas for us.

As regards the pipeline that is coming from Iran, I am glad to inform the hon. Member that we had a very constructive meeting of the Joint Working Group between India and Pakistan on that pipeline, and each one of these issues that she raised has been flagged by us, and we will be considering this further in the next meeting of the JWG which is scheduled in the last week of August in Islamabad. With Iran, we have held a series of discussions with them over the last seven or eight months, and this is now getting formalised into what is called a Special Joint Working Group on the pipeline between India and Iran. Their meeting is scheduled to begin tomorrow, and we will be addressing some of these questions. Now the initial negotiating position of Iran is to base the cost, on which they will supply the gas to us, at the opportunity cost, that is, at a cost comparable to the kind of prices which can be realised from other markets. And we have taken the position that it has to be at a price that is affordable to us primarily in terms of the kinds of prices we may hope to be able to charge for the electricity and fertiliser that would be produced from that gas, and we have explained the rationale of this to them. I have told the Iranians, and they are considering it, that whereas the unit price of gas supplied to India might well have to be considerably lower than the unit price at which they make LNG supplies to other countries, if they take the total quantity of gas that could come to Pakistan and India through that pipeline, and the period for which it is guaranteed, which is the life-term of that pipeline, then, the total revenues earned by Iran from the gas could be much higher. So, these are matters which are seriously under consideration, and I shall continue to keep the House and the hon. Member informed of the progress.

SHRIMATI AMBIKA SONI: Sir, I am very grateful to the hon. Minister for having given me the background about the two projects which I thought have already been shared. My main question was this. How is the pricing going to be compatible with LNG? Keeping that in ivew,4 would now further ask of the hon. Minister: Putting aside the pricing and costing which the explained, there is another factor in this; that is, you want guarantees from Pakistan for the safe transit through Baluchistan. You have no doubt talked of costs, meetings of August-September, round-table meetings, etc. But, as you have yourself mentioned in your reply to the House, this is a regional thing when we are talking of Turkmenistan. Whatever I have read on this subject, I am told that the gas which Iran is planning to pipe and send to India is also a regional affair, and Qatar is already into the field and is rigging as much gas as possible, while our negotiations are going on and on. Has the Minister put a time-frame on how you are going to mobilise resources? What is going to be the end pricing? Is it going to be compatible with LNG? And, are you going to get sufficient gas or is it that you are going to make alternative arrangement?

SHRI MANI SHANKAR AIYAR. I think the hon. Member means 'competitive', not 'compatible'. Taking that to be the meaning of her question, I would like to assure her that we are in a very deep commercial relationship on LNG with Qatar, and that, when his Highness, the Ameer of Qatar had come to India in April, we discussed with him the possibility of our being able to meet at least 20 million tonnes of our LNG requirements from Qatar in a kind of ten-year period from now. My Secretary was in Qatar only yesterday. He is on his way back just now, discussing these matters further. We have raised with Qatar the possibility of our becoming a part of what is called the GUSA pipeline, which is, the Gulf to South Asia pipeline, in which Pakistan is already a member.

And they informed me, when I was in Islamabad, that they would have no objection to India becoming a member. We have taken it up with Qatar and Qatar has pointed out to various difficulties that there are in actually realising that project. But the fact of the matter is that it is not only Qatar from where we are looking for LNG; if it does not work out by pipeline through Bangladesh, we might also make it from Myanmar to India. We are also in negotiation with a whole sheaf of other countries which include Malaysia, Indonesia, Australia and so on. We are taking about what could be obtained, perhaps, from Oman. There is some talk of actually investing

in a gasification plant in Saudi Arabia and so on and so forth. So, whatever we might get by pipeline from either Myanmar or Turkmenistan or Iran would complement whatever else we are able to obtain by way of LNG. The problem with LNG, at least, for the next decade or so, is going to be that there is a tremendous shortage or cryogenic ships. It also takes a long time to build, on the one hand, a gasification plant in the suppling country and, on the other, atermial and re-gasification plant in the receiving country. There are technological innovations taking place such as the one in which a Belgian company which has got re-gasification facilities on the ship itself so that you do not need a terminal at the other end; from a single mooring you may be able to take the pipeline on land. So, all these developments are taking place. We are conscious of all of them and we are trying to optimise the basket by which we will be able to meet our humungous energy requirements. In any case, whatever we get by pipeline would be most useful for western, northern and eastern India. I think in peninsular India, at least, for a long time to come, until we work out the technological problems of deep-sea piping, it will have to be done by LNG.

With regard to pricing, we have stressed to the Iranians, and we are going to do this with everybody else, that it is only if the prices are affordable india, in terms of the fact that power and fertiliser units are the main consumers of gas, that we would be ready to enter into a deal with them. So negotiations are on and it is not surprising that we have the initial position of the seller asking for the higher possible price and, we, the buyers, asking for the least possible price. That is how negotiations are conducted, whether in a *saree* shop or in respect to pipelines.

श्री विक्रम वर्मा : माननीय उपसभापति जी, एशियाई तेल समुदाय के गठन के प्रयास में हम केवल गैस या तेल पाइपलाइन से लाने के बारे में ही विचार कर रहे हैं या इस प्रकार के एशियाई समुदाय के गठन के साथ ही उत्पादन के सम्बन्ध में भी कोई सामूहिक नीति बनाई जा रही है ? क्या इस सम्बन्ध में माननीय मंत्री जी कुछ बताना चाहेंगे ?

श्री मणि शंकर अय्यर: सर, हमारा सबसे पहला ध्यान जो घरेलू उत्पादन है, उस पर है । बड़ी खुशी की बात है कि बे आफॅ बंगाल में हाल में बहुत-सी खोजें निकल आई हैं, जिससे हमारा विश्वास बढ़ रहा है कि जो बे ऑफ बंगाल है, वह दक्षिणा एशिया का उत्तर समुद्र बन सकता है । यहां मैंने जो बार-बार यह बात रखी है कि हम अपने घरेलू गैस उत्पादन को बहुत बड़े पैमाने पर बढ़ा सकते है, लेकिन हम इसे जितना भी बढ़ाएं, मुझे नहीं लगता है कि आने वाले 20 साल में जो आज

का उत्पादन है, उससे दुगुना से ज्यादा हमारा उत्पादन बढ़ सकता है । हमारे आंकड़ों के मुताबिक जहां घरेलू उत्पादन 2025 में 200 मिलियन स्टैंडर्ड क्यूबिक मीटर पर डे तक हो सकता है, हमारी मांग उससमय तक कम-से-कम 400 मिलियन होगी । इसलिए कहीं-न-कहीं से हमें 200 मिलियन को खोज निकालना पड़ेगा । इसलिए जब हम घरेलू उत्पादन की बात करते हैं, हमारी ऊर्जा की मांगों को पूरा करने के लिए साथ-साथ हमें जो आयात का इन्जाम करना है, उस पर भी हमें ध्यान देना चाहिए ।ये जो राउंड टेब्ल्स हो रहे है, वे बड़ी-बड़ी नीतियां बनाने के लिए है, लेकिन बाइलैटरल तौर पर हम कोशिश कर रहे हैं कि वे लोग, जो हमारे पड़ोस में हैं, जो हमारे निकट हैं, हम उनसे बात करें । उनसे हम या तो एलएनजी के जरिए या पाइपलाइन के जरिए मांगों को पूरा कर पांए ।

MR. DEPUTY CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO THE STARRED QUESTIONS

Offer of cheap air tickets by private airlines

† *122. SHRI ABU ASIM AZMI. Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government are aware that certain private airlines have tried to dupe ordinary passengers by offering to sell air ticket for Re. 1/-;

(b) whether some companies also offer air travel for Rs. 222/- in the name of competition;

(c) whether Government propose to set up a regulatory authority to regulate the travel fare of all airlines in order to protect the ordinary passengers from market competition of private companies;

(d) whether Government propose to take any action against the private airlines duping passengers by offering cheap ticket; and

(e) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) and (b) No such information regarding duping by certain airlines has been brought to the notice of the Government. However, Air Deccan have informed that they have sold 6000 tickets of Rs. 1/- each (excluding Passenger Service Fees of Rs. 221/-) for the period 7th June, 05 to 31st October, 2005.

† Original notice of the question was received in Hindi.